

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

KIRK VININGS, Individually and On  
Behalf of All Others Similarly Situated,

Plaintiff,

v.

VERTIV HOLDINGS CO, ROB  
JOHNSON, and DAVID FALLON,

Defendants.

Case No.

**CLASS ACTION COMPLAINT FOR  
VIOLATIONS OF THE FEDERAL  
SECURITIES LAWS**

**JURY TRIAL DEMANDED**

Plaintiff Kirk Vinings (“Plaintiff”), individually and on behalf of all others similarly situated, by and through his attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and belief is based upon, among other things, his counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Vertiv Holdings Co (“Vertiv” or the “Company”) with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and disseminated by Vertiv; and (c) review of other publicly available information concerning Vertiv.

### **NATURE OF THE ACTION AND OVERVIEW**

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired Vertiv securities between April 28, 2021 and February 23, 2022, inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Vertiv purports to be a “global leader in the design, manufacturing and servicing of critical digital infrastructure technology that powers, cools, deploys, secures and maintains electronics that process, store and transmit data.” Its offerings include power management products, thermal management products, integrated rack systems, modular solutions, and management systems for monitoring and controlling digital infrastructure.

3. On February 23, 2022, at 6:00 a.m. Eastern, Vertiv reported disappointing financial results, including \$0.06 earnings per share for fourth quarter 2021, missing analyst estimates of \$0.28 per share. Vertiv’s Chief Executive Officer attributed the poor results to management “consistently underestimat[ing] inflation and supply chain constraints for both timing and degree, which dictated a tepid 2021 pricing response.”

4. On this news, the Company's stock price fell \$7.19, or 37%, to close at \$12.38 per share on February 23, 2022, on unusually heavy trading volume.

5. Throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that the Company could not adequately respond to supply chain issues and inflation by increasing its prices; (2) that, as a result of the increasing costs, Vertiv's earnings would be adversely impacted; and (3) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

6. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

### **JURISDICTION AND VENUE**

7. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

8. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

9. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District.

10. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

### **PARTIES**

11. Plaintiff Kirk Vinings, as set forth in the accompanying certification, incorporated by reference herein, purchased Vertiv securities during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

12. Defendant Vertiv is incorporated under the laws of Delaware with its principal executive offices located in Columbus, Ohio. Vertiv's Class A common stock trades on the New York Stock Exchange ("NYSE") under the symbol "VRT."

13. Defendant Rob Johnson ("Johnson") was the Company's Chief Executive Officer ("CEO") at all relevant times.

14. Defendant David Fallon ("Fallon") was the Company's Chief Financial Officer ("CFO") at all relevant times.

15. Defendants Johnson and Fallon (collectively the "Individual Defendants"), because of their positions with the Company, possessed the power and authority to control the contents of the Company's reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. The Individual Defendants were provided with copies of the Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, the Individual Defendants knew that the adverse facts

specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

## **SUBSTANTIVE ALLEGATIONS**

### **Background**

16. Vertiv purports to be a “global leader in the design, manufacturing and servicing of critical digital infrastructure technology that powers, cools, deploys, secures and maintains electronics that process, store and transmit data.” Its offerings include power management products, thermal management products, integrated rack systems, modular solutions, and management systems for monitoring and controlling digital infrastructure.

### **Materially False and Misleading Statements Issued During the Class Period**

17. The Class Period begins on April 28, 2021. On that day, Vertiv announced its first quarter 2021 financial results in a press release that stated, in relevant part:<sup>1</sup>

- Strong net sales growth of 22.4% and organic net sales growth of 19.5%(1) compared with last year’s first quarter - with strength in all regions.
- Orders up 21% versus last year’s first quarter fueling a record backlog of \$2.1 billion.
- Operating profit of \$80 million and adjusted operating profit of \$112 million, with operating profit margin of 7.3% and adjusted operating profit margin of 10.2%. Adjusted operating margin 790 basis points higher than prior year first quarter.
- Net cash from operating activities of \$61 million increased \$255 million, and free cash flow of \$43 million increased \$246 million from prior year first quarter. Strong quarter-end liquidity of \$1.1 billion.
- Earnings per share of \$0.09 and adjusted earnings per share of \$0.21 exceeding guidance.

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<sup>1</sup> Unless otherwise stated, all emphasis in bold and italics hereinafter is added.

- Vertiv raises full year 2021 net sales, adjusted operating profit and adjusted EPS guidance.

\* \* \*

### **Full Year and Second Quarter 2021 Guidance**

In part due to our strong first quarter performance, we are increasing our full year 2021 adjusted operating profit guidance to \$595 million (at the mid-point), \$20 million higher than our previous guidance. ***This full year guidance includes the expected negative net impact in the remainder of the year of higher commodity and freight costs.***

	Prior FY2021 Guidance	FY2021 Guidance	2Q 2021 Guidance
Net sales	\$4,750M - \$4,800M	\$4,875M - \$4,925M	\$1,190M - \$1,230M
Organic net sales growth	6.5% - 7.5%	9.5% - 10.5%	15.0% - 19.0%
Adjusted operating profit	\$565M - \$585M	\$585M - \$605M	\$120M - \$130M
Adjusted operating margin	11.9% - 12.2%	12.0% - 12.3%	10.0% - 10.6%
Adjusted EPS	\$1.01 - \$1.06	\$1.08 - \$1.14	\$0.22 - \$0.24
Free cash flow	\$275M - \$295M	\$290M - \$310M	

18. On April 30, 2021, Vertiv filed an amended Form 10-K for the period ended December 31, 2020. It stated, in relevant part:

***Failure to properly manage our supply chain and inventory could result in higher costs of production and delays in fulfilling customer orders, excess or obsolete materials or components, labor disruptions or shortages and delays in production.***

Our operations, particularly our manufacturing and service operations, depend on our ability to accurately anticipate both our needs, including raw materials, components, products and services, from third-party suppliers, and such suppliers' ability to timely deliver the quantities and quality required at reasonable prices. We have a large number of providers to support our global operations and breadth of offerings. In addition, certain of our suppliers are also competitors with us in one or more parts of our business and those suppliers may decide to discontinue business with us. Other supply chain risks that we could face include, but are not limited to, the following:

- Volatility in the supply or price of raw materials. Our products rely on a variety of raw materials and components, including steel, copper and aluminum and electronic components. We may experience a shortage of, or a delay in receiving, such materials or components as a result of strong demand, supplier capacity constraints or other operational disruptions, restrictions on use of materials or components subject to our governance and compliance requirements, disputes with suppliers or problems in

transitioning to new suppliers. Moreover, prices for some of these materials and components have historically been volatile and unpredictable, and such volatility is expected to continue. Ongoing supply issues may require us to reengineer some offerings, which could result in further costs and delays. If we are unable to secure necessary supplies at reasonable prices or acceptable quality, we may be unable to manufacture products, fulfill service orders or otherwise operate our business. ***We may also be unable to offset unexpected increases in material and component costs with our own price increases without suffering reduced volumes, revenues or operating income.***

\* \* \*

Any of these risks could have an adverse effect on our results of operations and financial condition.

(First emphasis in original.)

19. On July 28, 2021, Vertiv announced its second quarter 2021 financial results in a press release that stated, in relevant part:

- Diluted earnings per share of \$0.03 increased \$0.20 and adjusted diluted earnings per share of \$0.31(1) increased \$0.15 from last year's second quarter.
- Customer demand remains robust with net sales growth of 25% and organic net sales growth of 20% from last year's second quarter, with double-digit sales growth in all regions.
- Record backlog of \$2.3 billion at the end of June. Order growth of 24% compared to prior year's second quarter.
- Second quarter operating profit of \$102 million increased \$32 million, or 45%, and adjusted operating profit of \$134 million increased \$31 million, or 30%, from last year's second quarter. Adjusted operating margin of 10.6%, up 40 basis points.

\* \* \*

Second quarter operating profit of \$102 million increased \$32 million, and adjusted operating profit of \$134 million increased \$31 million from the prior year quarter. Higher adjusted operating profit was driven by an \$80 million benefit from the profit flowthrough from higher organic volume offset primarily by an approximate \$25 million headwind from net material and freight inflation and \$20 million higher fixed costs in part due to discrete COVID-19 cost actions taken in last year's second quarter. The \$25 million of net material and freight inflation includes an

approximate \$10 million offset for year-over-year pricing. *We expect pricing to ramp-up as we progress through 2021 and to completely offset gross material and freight inflation within the fourth quarter.* Diluted earnings per share of \$0.03 increased \$0.20, and adjusted diluted earnings per share of \$0.31 increased \$0.15 from the prior year quarter. The \$0.15 improvement in adjusted diluted earnings per share in the second quarter included the benefit of \$0.07 from items outside adjusted operating profit, primarily lower tax and interest expense.

\* \* \*

### **Full Year and Third Quarter 2021 Guidance**

End-market demand remains robust, and we are increasing our full year net sales guidance to 14% growth at the midpoint (12% organic growth). *While material inflation and supply-chain challenges continue, we have implemented additional pricing actions and fixed cost reductions to help offset these challenges.* We are raising the midpoint of our full year adjusted operating profit guidance to \$600 million. *This full year guidance includes the expected negative net impact in the remainder of the year of current commodity and freight costs as well as price recovery, which typically lags inflation.*

	Prior FY2021 Guidance	Updated FY2021 Guidance	3Q 2021 Guidance
Net sales	\$4,875M - \$4,925M	\$4,970M - \$5,030M	\$1,260M - \$1,300M
Organic net sales growth <sup>2</sup>	9.5% - 10.5%	11.5% - 12.5%	6.5% - 9.5%
Adjusted operating profit	\$585M - \$605M	\$590M - \$610M	\$155M - \$165M
Adjusted operating margin	12.0% - 12.3%	11.8% - 12.2%	12.3% - 12.8%
Adjusted EPS	\$1.08 - \$1.14	\$1.12 - \$1.18	\$0.26 - \$0.30
Free Cash Flow	\$290M - \$310M	\$290M - \$310M	

20. On October 27, 2021, Vertiv announced its third quarter 2021 financial results in a press release that stated, in relevant part:

- Robust end-market demand continued with double-digit order growth and record backlog of \$2.4 billion.
- Net sales growth of 5.8% and organic net sales growth of 3.9% versus prior year third quarter.
- Third quarter operating profit of \$82 million and adjusted operating profit of \$131 million(1), with operating profit margin of 6.7% and adjusted operating profit margin of 10.7%. Adjusted operating profit margin 490 basis points higher than prior year third quarter.



- Diluted earnings per share of \$0.15, up \$0.47 and adjusted diluted earnings per share of \$0.20(1) up \$0.15 from prior year quarter.

\* \* \*

Third quarter operating profit of \$82 million increased \$47 million and adjusted operating profit of \$131 million increased \$64 million from the prior year quarter. Adjusted operating profit improvement was influenced by a one-time \$80 million charge for a restructuring reserve and asset impairments recorded in third quarter 2020. The remaining \$16 million reduction in adjusted operating profit was primarily driven by a \$40 million year-over-year headwind from net material and freight inflation offset by \$15 million net fixed cost reductions and a \$10 million flowthrough benefit from higher organic sales. ***Supply chain issues have continued to accelerate in the third quarter and no improvement is expected in the fourth quarter, although our pricing response continues to meaningfully increase sequentially each quarter, and we anticipate another sequential increase in the fourth quarter. Cost containment actions have been accelerated heading into the fourth quarter to mitigate impacts from increased supply chain disruptions.***

\* \* \*

### **Full Year and Fourth Quarter 2021 Guidance**

Given the portfolio enhancements underway, we have updated our guidance to include impacts from the E+I acquisition, as well as the divestiture of the heavy industrial UPS business. The net impacts from these transactions are an additional \$55 million in net sales and \$13 million in adjusted operating profit and are included in the guidance table below for both fourth quarter and full year 2021. ***This guidance includes the expectation that supply chain headwinds continue at current levels for the remainder of the year. We anticipate supply chain pressure to continue at least through the first half of 2022. Despite these headwinds, demand remains strong, and we anticipate net pricing and inflation actions will provide a tailwind for full year 2022. In addition, we continue to accelerate additional cost containment actions.***

	<i>Prior FY2021 Guidance</i>	<i>FY2021 Guidance including M&amp;A impacts</i>	<i>4Q 2021 Guidance including M&amp;A impacts</i>
Net sales	\$4,880M - \$4,940M	\$4,970M - \$5,030M	\$1,382M - \$1,442M
Organic net sales growth <sup>2</sup>	9.5% - 10.5%	10.5% - 11.5%	3.0% - 7.0%
Adjusted operating profit	\$530M - \$550M	\$543M - \$563M	\$166M - \$186M
Adjusted operating margin	10.9% - 11.1%	10.9% - 11.2%	12.0% - 12.9%
Adjusted EPS	\$0.96 - \$1.01	\$0.97 - \$1.03	\$0.24 - \$0.30
Free Cash Flow	\$190M - \$220M	\$190M - \$220M	

21. The above statements identified in ¶¶ 17-20 were materially false and/or misleading, and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that the Company could not adequately respond to supply chain issues and inflation by increasing its prices; (2) that, as a result of the increasing costs, Vertiv's earnings would be adversely impacted; and (3) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

#### **Disclosures at the End of the Class Period**

22. On February 23, 2022, at 6:00 a.m. Eastern, Vertiv reported disappointing financial results, including \$0.06 earnings per share for fourth quarter 2021, missing analyst estimates of \$0.28 per share. Vertiv's CEO attributed the poor results to management "consistently underestimat[ing] inflation and supply chain constraints for both timing and degree, which dictated a tepid 2021 pricing response."

23. During the related conference call, Defendant Fallon stated that "adjusted operating profit and margin were significantly affected by negative net price costs with almost \$190 million of material and freight inflation, only partially offset by \$53 million of pricing." Defendant Johnson explained the underpricing that led to the earnings miss:

Let me address our guidance miss in the fourth quarter for which I take full responsibility for. In short, we screwed up and some of you undoubtedly are wondering how we could get so surprised. We ***significantly underestimated the magnitude of the material and freight inflation in the fourth quarter forecast mostly in America, by approximately \$36 million.***

This underestimation cost also contributed to our underpricing in the market in 2021. So it was a huge deal not only for costs, but also price. Half of the inflation miss was related to unforeseen supplier de -commits on critical components and our need to execute spot buys and premium freight to meet customer commitments. The ***other half is related to forecasting issue within America's region***, heavily influenced by our ERP implementation. But also, due to forecasting process issues within the region.

These regional costs, forecasting issues have been fixed, and we feel very confident with our cost projections for 2022 as evidenced by our January costs being lower than what we were planning.

24. Also during the conference call, Defendant Fallon stated that the pricing issues would continue through the second quarter of 2022:

[T]he primary driver of this sequentially improving financial performance is the timing of price realization. . . . Our price cost issues began in the third quarter of 2021 and *we anticipate them to be addressed after the second quarter of this year.* So we're almost three quarters of our way through what we see is a four-quarter issue as price costs turns positive for each of the last two quarters of 2022.

25. On this news, the Company's stock price fell \$7.19, or 37%, to close at \$12.38 per share on February 23, 2022, on unusually heavy trading volume.

### **CLASS ACTION ALLEGATIONS**

26. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased or otherwise acquired Vertiv securities between April 28, 2021 and February 23, 2022, inclusive, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

27. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Vertiv's shares actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or thousands of members in the proposed Class. Millions of Vertiv shares were traded publicly during the Class Period on the NYSE. Record owners and other members of the Class may be identified from

records maintained by Vertiv or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

28. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

29. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

30. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of Vertiv; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

31. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

**UNDISCLOSED ADVERSE FACTS**

32. The market for Vertiv's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Vertiv's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Vertiv's securities relying upon the integrity of the market price of the Company's securities and market information relating to Vertiv, and have been damaged thereby.

33. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Vertiv's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. The statements and omissions were materially false and/or misleading because they failed to disclose material adverse information and/or misrepresented the truth about Vertiv's business, operations, and prospects as alleged herein.

34. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Vertiv's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein when the truth was revealed.

### **LOSS CAUSATION**

35. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

36. During the Class Period, Plaintiff and the Class purchased Vertiv's securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

### **SCIENTER ALLEGATIONS**

37. As alleged herein, Defendants acted with scienter since Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Vertiv, their control over, and/or receipt and/or modification of Vertiv's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Vertiv, participated in the fraudulent scheme alleged herein.

### **APPLICABILITY OF PRESUMPTION OF RELIANCE (FRAUD-ON-THE-MARKET DOCTRINE)**

38. The market for Vertiv's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Vertiv's securities traded at artificially inflated prices during the Class Period. On

September 2, 2021, the Company's share price closed at a Class Period high of \$28.59 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Vertiv's securities and market information relating to Vertiv, and have been damaged thereby.

39. During the Class Period, the artificial inflation of Vertiv's shares was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Vertiv's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Vertiv and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company shares. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

40. At all relevant times, the market for Vertiv's securities was an efficient market for the following reasons, among others:

- (a) Vertiv shares met the requirements for listing, and was listed and actively traded on the NYSE, a highly efficient and automated market;
- (b) As a regulated issuer, Vertiv filed periodic public reports with the SEC and/or the NYSE;
- (c) Vertiv regularly communicated with public investors via established market communication mechanisms, including through regular dissemination of press releases on the

national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and/or

(d) Vertiv was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

41. As a result of the foregoing, the market for Vertiv's securities promptly digested current information regarding Vertiv from all publicly available sources and reflected such information in Vertiv's share price. Under these circumstances, all purchasers of Vertiv's securities during the Class Period suffered similar injury through their purchase of Vertiv's securities at artificially inflated prices and a presumption of reliance applies.

42. A Class-wide presumption of reliance is also appropriate in this action under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on Defendants' material misstatements and/or omissions. Because this action involves Defendants' failure to disclose material adverse information regarding the Company's business operations and financial prospects—information that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered them important in making investment decisions. Given the importance of the Class Period material misstatements and omissions set forth above, that requirement is satisfied here.

#### **NO SAFE HARBOR**

43. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint.



The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as “forward-looking statements” when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Vertiv who knew that the statement was false when made.

**FIRST CLAIM**

**Violation of Section 10(b) of The Exchange Act and  
Rule 10b-5 Promulgated Thereunder  
Against All Defendants**

44. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

45. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Vertiv’s securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions set forth herein.

46. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the

statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Vertiv's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

47. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Vertiv's financial well-being and prospects, as specified herein.

48. Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Vertiv's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Vertiv and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

49. Each of the Individual Defendants' primary liability and controlling person liability arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the

creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

50. Defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Vertiv's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

51. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of Vertiv's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in

which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class acquired Vertiv's securities during the Class Period at artificially high prices and were damaged thereby.

52. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Vertiv was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Vertiv securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

53. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

54. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

## **SECOND CLAIM**

### **Violation of Section 20(a) of The Exchange Act Against the Individual Defendants**

55. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

56. Individual Defendants acted as controlling persons of Vertiv within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and their ownership and contractual rights, participation in, and/or awareness of the Company's

operations and intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

57. In particular, Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

58. As set forth above, Vertiv and Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

(a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;

(b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

(c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) Such other and further relief as the Court may deem just and proper.

**JURY TRIAL DEMANDED**

Plaintiff hereby demands a trial by jury.

Dated: March 24, 2022

By: /s/ Gregory B. Linkh  
**GLANCY PRONGAY & MURRAY LLP**  
Gregory B. Linkh (GL-0477)  
230 Park Ave., Suite 358  
New York, NY 10169  
Telephone: (212) 682-5340  
Facsimile: (212) 884-0988  
glinkh@glancylaw.com

Robert V. Prongay  
Charles H. Linehan  
Pavithra Rajesh  
1925 Century Park East, Suite 2100  
Los Angeles, CA 90067  
Telephone: (310) 201-9150  
Facsimile: (310) 201-9160

*Attorneys for Plaintiff Kirk Vinings*

**SWORN CERTIFICATION OF PLAINTIFF  
VERTIV HOLDINGS CO (VRT) SECURITIES LITIGATION**

I, Kirk Vinings, certify that:

1. I have reviewed the Complaint, adopt its allegations, and authorize its filing and/or the filing of a lead plaintiff motion on my behalf.
2. I did not purchase the Vertiv Holdings Co securities that are the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action arising under this title.
3. I am willing to serve as a representative party on behalf of a class and will testify at deposition and trial, if necessary.
4. My transactions in Vertiv Holdings Co securities during the period set forth in the Complaint are as follows:  
  
(See attached transactions)
5. I have not sought to serve, nor served, as a representative party on behalf of a class under this title during the last three years, except for the following:
6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court, including the award to a representative plaintiff of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

I declare under penalty of perjury that the foregoing are true and correct statements.

3/16/2022

Date



Kirk Vinings

**Kirk Vinings' Transactions in Vertiv Holdings Co (VRT)**

<b>Date</b>	<b>Transaction Type</b>	<b>Quantity</b>	<b>Unit Price</b>
4/28/2021	Bought	2,200	\$23.0100
8/3/2021	Bought	1,730	\$27.9700